

VZCZCXRO5813
PP RUEHCI
DE RUEHKT #0263 0902356
ZNR UUUUU ZZH
P 312356Z MAR 09
FM AMEMBASSY KATHMANDU
TO RUEHC/SECSTATE WASHDC PRIORITY 0001
INFO RUEHBJ/AMEMBASSY BEIJING 6895
RUEHLM/AMEMBASSY COLOMBO 7213
RUEHKA/AMEMBASSY DHAKA 2535
RUEHIL/AMEMBASSY ISLAMABAD 5257
RUEHLO/AMEMBASSY LONDON 6407
RUEHNE/AMEMBASSY NEW DELHI 2960
RUEHCI/AMCONSUL KOLKATA 4549
RHMFIUU/CDR USPACOM HONOLULU HI
RUEAIIA/CIA WASHDC
RHEFDIA/DIA WASHDC
RHEHNSC/NSC WASHDC
RUEKJCS/SECDEF WASHDC
RUCNDT/USMISSION USUN NEW YORK 3468

UNCLAS KATHMANDU 000263

SENSITIVE
SIPDIS

EEB/IFD/OMA JULIA JACOBY AND SCA/INS

E.O. 12958: N/A
TAGS: [EAID](#) [ECON](#) [PREL](#) [NP](#)
SUBJECT: NEPAL: CENTRAL GOVERNMENT HAS TRANSPARENT BUDGET

REF: SECSTATE 28885

Budget Publicly Available

¶1. The following is post's response to reftel regarding the FY09 prohibition on central governments whose budgets are not transparent.

¶A. YES, the central government of Nepal (GON) is receiving U.S. foreign assistance using FY09 funds.

¶B. YES, Nepal's budget is publicly available.

¶C. YES, incomes and expenditures are included in the publicly-available budget.

Post's Assessment of Accuracy of Budget

¶2. (SBU) Post judges that the GON's budget to date accurately reflects actual government incomes and expenditures, but we have concerns about the Maoist-led government's intentions to allocate funds. The budget for FY09 has provisions for development and infrastructure, including road building, for which Finance Minister Baburam Bhattarai has yet to approve expenditures. The GON could use these provisions to funnel money to the former combatants of the People's Liberation Army or the Young Communist League, the youth wing of the Maoists that continues to engage in violent activities across Nepal.
POWELL